Ad-hoc announcement pursuant to Article 53 of the SIX listing rules

Kuros Biosciences Reports First Half of 2024 Results

Financial Highlights

- Direct MagnetOs™ sales increased by 159% to CHF 31.6 million from CHF 12.2 million in H1 2023; this corresponds to a sequential increase of 62% or CHF 12.1 million over H2 2023
- Total Kuros Medical Devices segment sales increased 148% to CHF 31.8 million from CHF 12.9 million
- Kuros Medical Devices segment EBITDA increased 287% to CHF 8.6 million in H1 2024 compared to CHF 2.2 million in H1 2023, representing an EBITDA margin of 27%
- Kuros Group achieved EBITDA of CHF 0.7 million in H1 2024, increased from EBITDA loss of CHF (3.0) million in H1 2023; adjusted EBITDA excluding the Fibrin-PTH costs, recurring and one-time share-based compensation totaled at CHF 4.0 million, representing an adjusted EBITDA margin of 12.5%
- Cash and cash equivalents amounted to CHF 14.3 million, compared to CHF 14.2 million as of December 31, 2023; funds available (including trade and other receivables) totaled CHF 25.3 million as of June 30, 2024

Regulatory, Clinical & Commercial Highlights

- Peer-reviewed publication of MAXA Level 1 human clinical study outcomes in *Spine* demonstrates effectiveness of MagnetOs as a standalone alternative to autograft in challenging posterolateral fusions. Noninferiority of Magnetos versus autograft confirmed, with primary analysis even indicating MagnetOs superiority[1]
- FDA clearances for interbody use of MagnetOs Granules, MagnetOs Putty and MagnetOs Easypack Putty (following MagnetOs Flex Matrix interbody clearance late 2023)
- Recent FDA clearance for standalone use of MagnetOs Easypack Putty in PLF and use in pelvis and extremities, supporting the product family expansion outside of spine
- Launch of MagnetOs Granules and MagnetOs Putty in New Zealand

Outlook

- For the second half of 2024, Kuros expects a similar seasonal sales pattern as in previous years, which corresponds to around 60% of total annual sales. Furthermore, it can be confirmed that the organic growth path is securely financed and that the Group expects to continue generating a positive EBITDA, both unadjusted and adjusted for non-recurring and non-cash items, in the single-digit, and around break even in terms of operating cash flow for the first time.

Schlieren (Zurich), Switzerland, August 8, 2024 – Kuros Biosciences ("Kuros" or the "Company") a leader in next generation bone healing technologies, today announced financial results for the first half of 2024.

Revenue from direct MagnetOs product sales were CHF 31.6 million compared to CHF 12.2 million in H1 2023. Total revenue from medical devices product sales reached CHF 31.8 million compared to CHF 12.9 million in H1 2023.

Chris Fair, Chief Executive Officer of Kuros Biosciences, said: "We are pleased to report first half 2024 results that continue to demonstrate our strong execution and commercialization, with direct MagnetOs revenue growth of 159% fueling the MagnetOs EBITDA margin of 27% and total Kuros Group EBITDA margin of 2%, adjusted at 12.5%. Our growing body of clinical evidence, including our recently published MAXA Level 1 clinical study in the peer-reviewed journal *Spine*, demonstrates how our differentiated technology continues to surpass expectations in providing compared to autograft a superior bone healing solution to surgeons and patients. With additional clearances from the FDA and other regulatory bodies currently applied for, we look forward to driving steady penetration of MagnetOs in the musculoskeletal biologics market."

Key developments in H1 2024

Kuros announced the peer-reviewed publication in *Spine* of the MAXA Level 1 prospective, multi-center, randomized, intra-patient controlled clinical study results. The data indicated superiority of MagnetOs as a standalone alternative to autograft in challenging posterolateral fusions, showing a fusion rate of 79% in the MagnetOs group versus 47% in the autograft group.

Financial position

Cash and cash equivalents (including trade and other receivables) amounted to CHF 25.3 million as of June 30, 2024, compared to CHF 21.8 million as of December 31, 2023.

Revenue from product sales of CHF 31.8 million in H1 2024 increased 148% as reported, compared to CHF 12.9 million revenue in H1 2023. The cost of goods sold amounted to CHF 3.5 million for the first half of 2024 compared to CHF 2.1 million in H1 2023. Sales and marketing costs increased to CHF 18.5 million in H1 2024 from CHF 9.3 million in the prior year. Research and development which included costs of the Phase 2a study in spinal fusion of Fibrin-PTH amounted to CHF 3.6 million (H1 2023: CHF 2.3 million). General and administrative costs increased to CHF 7.0 million (H1 2023: CHF 3.8 million). Net operating costs amounted to CHF 28.9 million (H1 2023: CHF 15.3 million). The net loss for the six months ended June 30, 2024, amounted to CHF 0.2 million (H1 2023: CHF 5.1 million).

Key figures In TCHF, IFRS	**H1 2024**	**H1 2023**
Revenue from product sales	31,844	12,866
Cost of goods sold	(3,477)	(2,142)
Gross profit	28,367	10,724
Sales and marketing costs	(18,493)	(9,332)
Research and development costs	(3,563)	(2,291)
General and administrative costs	(6,984)	(3,759)
Other income	114	129
Net operating costs	(28,926)	(15,253)
Operating loss	(559)	(4,529)
Net finance result	1,655	(352)
Net loss	(211)	(5,052)
Net loss per share (in CHF)	(0.01)	(0.14)

	Jun-30, 2024	**Dec-31, 2023**
Cash and cash equivalents, trade and other receivables	25,257	21,825

Events after the reporting period
The group has no significant events after the reporting period up to the date of this announcement.

Outlook
Kuros' products are advancing according to plan with MagnetOs continuing to generate strong sales growth in the U.S., Europe, and the rest of the world following a similar seasonal pattern as in previous years. The company is adequately funded along the planned organic growth path and expects to generate positive single-digit unadjusted and adjusted EBITDA and reach around operating cash flow break even for the first time in 2024.

The half year report is available via the following link:
Kuros Biosciences 2024 Interim Report

We will discuss the results of the first half of 2024 and give an update on business and financial strategy in a virtual call on August 15, 2024, at 3pm CET. If you wish to participate, please register in advance for this webinar.

Kuros Biosciences H1 2024 Financial Report Investor Webcast

After registering, you will receive a confirmation email containing information about joining the webinar.

Upcoming Events
October 10, 2024, Trading Update Q3 2024

For further information, please contact:

Kuros Biosciences AG
Daniel Geiger
Chief Financial Officer
Tel +41 44 733 47 41
daniel.geiger@kurosbio.com

Investors
Gilmartin Group
Vivian Cervantes
Tel: + 332.895.3220
vivian.cervantes@gilmartinir.com

About MagnetOs

MagnetOs is a bone graft like no other: thanks to its NeedleGrip™ surface technology, it enables bone formation without added cells or growth factors. This surface technology provides traction for our body's vitally important 'pro-healing' immune cells (M2 macrophages). This in turn, unlocks previously untapped potential to stimulate stem cells – and form new bone throughout the graft. The growing body of science behind NeedleGrip is called osteoimmunology. But for surgeons and their patients it means one thing: a more predictable fusion. [2-6†‡§]

Indications statement

Please refer to the instructions for use for your local region for a full list of indications, contraindications, warnings, and precautions.

About Kuros Biosciences

Kuros Biosciences is on a mission to discover, develop and deliver innovative biologic fusion technologies. With locations in the United States, Switzerland and the Netherlands, the company is listed on the SIX Swiss Exchange. The company's first commercial product, MagnetOs, is a unique advanced bone graft that has already been used across three continents in 25,000 fusion surgeries. For more information on the company and its products, visit kurosbio.com.

Forward Looking Statements

This media release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. You are urged to consider statements that include the words "will" or "expect" or the negative of those words or other similar words to be uncertain and forward-looking. Factors that may cause actual results to differ materially from any future results expressed or implied by any forward-looking statements include scientific, business, economic and financial factors. Against the background of these uncertainties, readers should not rely on forward-looking statements. The Company assumes no responsibility for updating forward-looking statements or adapting them to future events or developments.

1. *Stempels, H. et al., "Efficacy of biphasic calcium phosphate ceramic with a needle-shaped surface topography versus autograft in instrumented posterolateral spinal fusion: A randomized trial." Spine. June 17, 2024. https://doi.org/10.1097/BRS.0000000000005075*
2. *Van Dijk, et al. eCM. 2021; 41:756-73.*
3. *Duan, et al. eCM. 2019; 37:60-73.*
4. *Van Dijk, et al. Clin Spine Surg. 2020;33(6): E276-E287.*
5. *Van Dijk, et al. JOR Spine. 2018 ; e1039*
6. *Van Dijk, et al. J Biomed Mater Res. Part B: Appl Biomater.*

**MagnetOs was mixed with venous blood.*

†Results from in vivo laboratory testing may not be predictive of clinical experience in humans. For important safety and intended use information please visit kurosbio.com.

‡MagnetOs is not cleared by the FDA or TGA as an osteoinductive bone graft.

§MagnetOs has been proven to generate more predictable fusions than two commercially available alternatives in an ovine model of posterolateral fusion.